Project Name:	Department of Energy BMIS-FM
Project Number:	BMIS-FM Phase I
DOE Proj Mgr:	Michael Fraser
IBM Proj Mgr:	Don A. Cox, PMP

PROJECT RISK MANAGEMENT PLAN for

Department of Energy BMIS-FM Project

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Author: *Don A. Cox, PMP*
Doncox@us.ibm.com

(303) 898-6822
Owner: *Michael Fraser, DOE Project Manager*

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1.01	*29-Nov-00*	First version	Don A. Cox, PMP
1.02	*06 Dec 00*	Revised version after review by M. Fraser	Don A. Cox, PMP
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Approvals

The following people have approved this document. (Sign below name)

Name	**Function**
Michael Fraser	DOE Program Manager
Signature	**Date:**

Don A. Cox	Team IBM Program Manager
Signature:	**Date:**

Distribution

This document has been distributed to:

Name	**Function**

Risk Management Plan

1. Objectives

Project risk management includes the processes concerned with identifying, analyzing, mitigating, monitoring and controlling project risk. Risk can be considered in a positive as well as a negative light, i.e. you may wish to maximize the results of positive events, and minimize the consequences of negative events.

2. Risk Identification Processes

2.1. The DOE project manager, has overall responsibility for project risk. Lucinda Szebrat has been assigned by the Team IBM manager as the BMIS-FM project risk manager responsible for administering risk management processes and activities.

2.2. Throughout all phases of the project, a specific topic of discussion will be risk identification. The intent is to instruct the project team in the need for risk awareness, identification, documentation and communication.

2.2.1. Risk awareness requires that every project team member be aware of what constitutes a risk to the project, and being sensitive to specific events or factors that could potentially impact the project in a *positive or negative* way.

2.2.2. Risk identification consists of determining which risks are likely to affect the project and documenting the characteristics of each.

2.2.3. Risk communication involves bringing risk factors or events to the attention of the project manager and project team.

2.3. The Team IBM project manager will identify and document known risk factors during creation of the Assumptions and Constraints document.

2.4. It is the Team IBM project manager's responsibility to ensure risk identification activities are scheduled, budgeted and planned from the inception of the project. This will take place as a topic of discussion during the first weekly project team status meeting of each month.

2.4.1. The project team will discuss any new risk factors or events, and these will be recorded within the meeting minutes for review by the Team IBM project manager.

2.4.2. The project manager or the project risk manager will determine if any of the newly identified risk factors or events warrant further evaluation. Those that do will undergo risk quantification and risk response

development, as appropriate, and the action item will be closed. For identified risk factors or events that don't warrant further evaluation, the item will be closed with no further action required.

2.5. Risk identification activities will be scheduled at the end of each project phase, prior to initiating the next phase.

2.6. At any time during the project, any risk factors or events should be brought to the attention of the Team IBM project manager or the project risk manager using E-mail to document the item initially. The project manager is responsible for further action.

2.7. For each risk factor or event, capture the following:

2.7.1. Description of the risk factor or event, i.e. conflicting project or operational initiatives that place demands on project resources, design errors or omissions, missing skills or experience.

2.7.2. Description of the possible outcomes, and probability that the event will occur. For example, a 50% chance that the vendor will delay release of the patches to the software, which will result in schedule delays of between 30 – 60 days.

2.7.3. Identify risk symptoms or triggers that will indicate the risk is now a fact.

3. Risk Responsibilities

3.1. The following tables details specific responsibilities for assisting in the evaluation of risk factors and events, and development of mitigating strategies to minimize or eliminate risk impacts:

Area of Risk	**Primary Responsibility**	**Secondary Responsibility**
DOE operational changes	DOE project manager	Team IBM project manager
DOE organizational changes	DOE project manager	Team IBM project manager
DOE system changes	DOE project manager	Team IBM project manager
DOE personnel changes	DOE project manager	Team IBM project manager
Project scope, schedule	DOE project manager	Team IBM project manager
Project budget	DOE project manager	Team IBM project manager
Project communications	Co-CM team leads	Project risk manager
Project staffing	DOE / Team IBM proj. mgrs.	Deputy project manager
Oracle applications	Co-team leads (based on module)	Project risk manager

System infrastructure	Co-technical team leads	Team IBM project manager
Project training	Co-training team leads	Team IBM project manager

4. Risk Analysis Processes

4.1. Risk analysis involves evaluating risk and risk interactions to assess the range of possible project outcomes. The intent is to identify which risk events warrant a mitigation strategy.

4.2. To analyze risk, it is important to understand various stakeholders' risk tolerance. Typically, this involves ascertaining the tradeoffs between scope, schedule, budget, and quality. In addition, stakeholder risk tolerance may change as the project progresses.

4.3. For purposes of this project, the impact of the risk factor or event will be determined based on a careful examination of the risk analysis as conducted by the risk manager, or a delegated representative. The DOE and Team IBM project managers will review the risk analysis to verify that Departmental and project objectives are fully considered.

4.4. The risk analysis will provide:

4.4.1. Opportunities to pursue – that is, changes to the project plan which will benefit the organization.

4.4.2. Threats to respond to – that is, specific risks that require a mitigating response.

4.4.3. Opportunities to ignore – that is, opportunities that will not result in a material impact in the success of the project.

4.4.4. Threats to accept – that is, specific risks that are of insufficient magnitude to require a risk response.

5. Risk Mitigation Processes

5.1. In general, risk mitigation processes involve development of detailed contingency plans and include some of the following activities:

5.1.1. Identification of potential failure points for each risk event or threat that must be responded to.

5.1.2. For each failure point, document the "trigger event" that would raise a "flag" indicating that the event or factor has occurred or reached a critical condition.

5.1.3. For each failure point, provide alternatives for a technical fix, technical work-around, or business work-around.

5.1.4. Identify necessary resources such as end-users, technical personnel, management personnel, production personnel and other necessary equipment.

5.1.5. Define emergency notification and escalation procedures, if appropriate.

5.1.6. Develop contingency plan training materials, if appropriate.

5.1.7. Practice execution of contingency plan, if appropriate.

5.1.8. Review and update contingency plans if necessary.

5.1.9. Publish the plan(s) and distribute the plan to management and those directly involved in executing the plan.

6. Risk Monitoring Processes

6.1. As project activities are conducted and completed, risk factors and events will be monitored to determine if in fact trigger events have occurred that would indicate the risk is now a reality.

6.2. Based on trigger events that have been documented during the risk analysis and mitigation processes, the project risk manager, DOE or Team IBM project managers will have the authority to enact contingency plans as deemed appropriate.

6.3. The project risk manager will maintain paper copies and electronic copies of the project contingency plans.

7. Processes to Address Immediate Unforeseen Risks

7.1. The individual identifying the risk will immediately notify the project risk manager, DOE and Team IBM project managers. The individual notified will assess the risk situation.

7.2. If required, the project risk manager, DOE and Team IBM project managers will identify a mitigating strategy, and assign resources as necessary.

7.3. The project risk manager will document the risk factor and the mitigating strategy.

8. Types and Allocation Processes for Reserves

8.1. No special reserve funds have been allocated for risk management.

9. Risk Procurement Processes

9.1. Risk Procurement processes will not be necessary for this project.

10. Associated Documents

10.1. Assumptions and Constraints Document

10.2. Risk Factors and Events Document

10.3. Contingency Plans